

UTAH OIL AND GAS CONSERVATION COMMISSION

REMARKS: WELL LOG ELECTRIC LOGS FILE ☒ WATER SANDS LOCATION INSPECTED SUB REPORT/abd

8-31-88 footages changed

DATE FILED 7-07-88

LAND: FEE & PATENTED FEE STATE LEASE NO

PUBLIC LEASE NO

INDIAN

DRILLING APPROVED: 8-10-88 (CAUSE NO. 156-3)

SPUDDED IN

COMPLETED 10-04-89 O/A PUT TO PRODUCING:

INITIAL PRODUCTION:

GRAVITY A.P.I.

GOR.

PRODUCING ZONES:

TOTAL DEPTH:

WELL ELEVATION:

DATE ABANDONED: O/A 10-04-89

FIELD: MEXICAN HAT

UNIT:

COUNTY: SAN JUAN

WELL NO. 381' KIPLING-GOODRIDGE 26

API NO. 43-037-31450

LOCATION 331' FNL FT. FROM (N) (S) LINE. 1755' FWL

FT. FROM (E) (W) LINE. NE NW

1/4 - 1/4 SEC.

8

1653'

TWP. RGE. SEC. OPERATOR

TWP. RGE. SEC. OPERATOR

42S

19E

8

KIPLING INCORPORATED

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS, AND MINING

(Other instr. is on
reverse sheet)

5. Lease Designation and Serial No.

private

6. If Indian, Allottee or Tribe Name

7. Unit Agreement Name

8. Farm or Lease Name

Kipling-Goodridge

9. Well No.

26

10. Field and Pool, or Wildcat

✓ Mexican Hat/Goodrich

11. Sec., T., R., M., or Blk. and Survey or Area

Pool

T42S R19E Sec 8

12. County or Parrish 13. State

San Juan, Utah

1a. Type of Work

DRILL ☒DEEPEEN ☐PLUG BACK ☐

b. Type of Well

Oil Well ☒Gas Well ☐Other ☐Single Zone ☒Multiple Zone ☐

2. Name of Operator

DIVISION OF
Kipling, Inc OIL, GAS & MINING

3. Address of Operator

Rt. 7, Box 2241 Boerne, Tx. 78006

4. Location of Well (Report location clearly and in accordance with any State requirements.)*

At surface

382 ft. FNL 1650 ft. FWL NENW

At proposed prod. zone

same

14. Distance in miles and direction from nearest town or post office*

1 mile east of Mexican Hat

15. Distance from proposed*

location to nearest

50 ft. from

property or lease line, ft.

(Also to nearest drig. line, if any)

west lease line

16. No. of acres in lease

6.265

17. No. of acres assigned

to this well

all spacing rules
lifted in Mex. Hat field

18. Distance from proposed location*

to nearest well, drilling, completed,

or applied for, on this lease, ft.

400'

19. Proposed depth

350'

20. Rotary or cable tools

rotary

21. Elevations (Show whether DF, RT, GR, etc.)

4066'

22. Approx. date work will start*

June 1988

23.

PROPOSED CASING AND CEMENTING PROGRAM

Size of Hole	Size of Casing	Weight per Foot	Setting Depth	Quantity of Cement
6 3/4	5 1/2	14.0	200	18 sacks

- 3.1 The top of the Goodrich formation is expected to be at 205 ft.
 3.2 We will drill to the top of the Goodrich and circulate cement to the surface thus protecting all formations above the oil zone.
 3.3 It is standard drilling procedure in the field not to use BOPs as all pressure is depleted.
 3.4 Not applicable.
 3.5 The well will be drilled with air.
 3.6 Visual analysis of circulated cuttings.
 3.7 Bottom hole pressure possibly 5-10 lbs. No known hazardous gases, temperatures, or pressures.
 3.8 No unusual facets about the well.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. Signed: Donny P. Sanders Title: Secy-tres. (512) 537-9150
 Date: 4/07/88
 (This space for Federal or State office use)

Permit No. _____ Approval Date _____

Approved by: _____

Title: _____

Conditions of approval, if any:

APPROVED BY THE STATE
OF UTAH DIVISION OF
OIL, GAS, AND MINING

DATE: _____

BY: _____

*See Instructions On Reverse Side

WELL SPACING: Cause No. 156-3

COMPANY KIPLING, INC.

LEASE KIPLING - GOODRICH WELL NO. 26

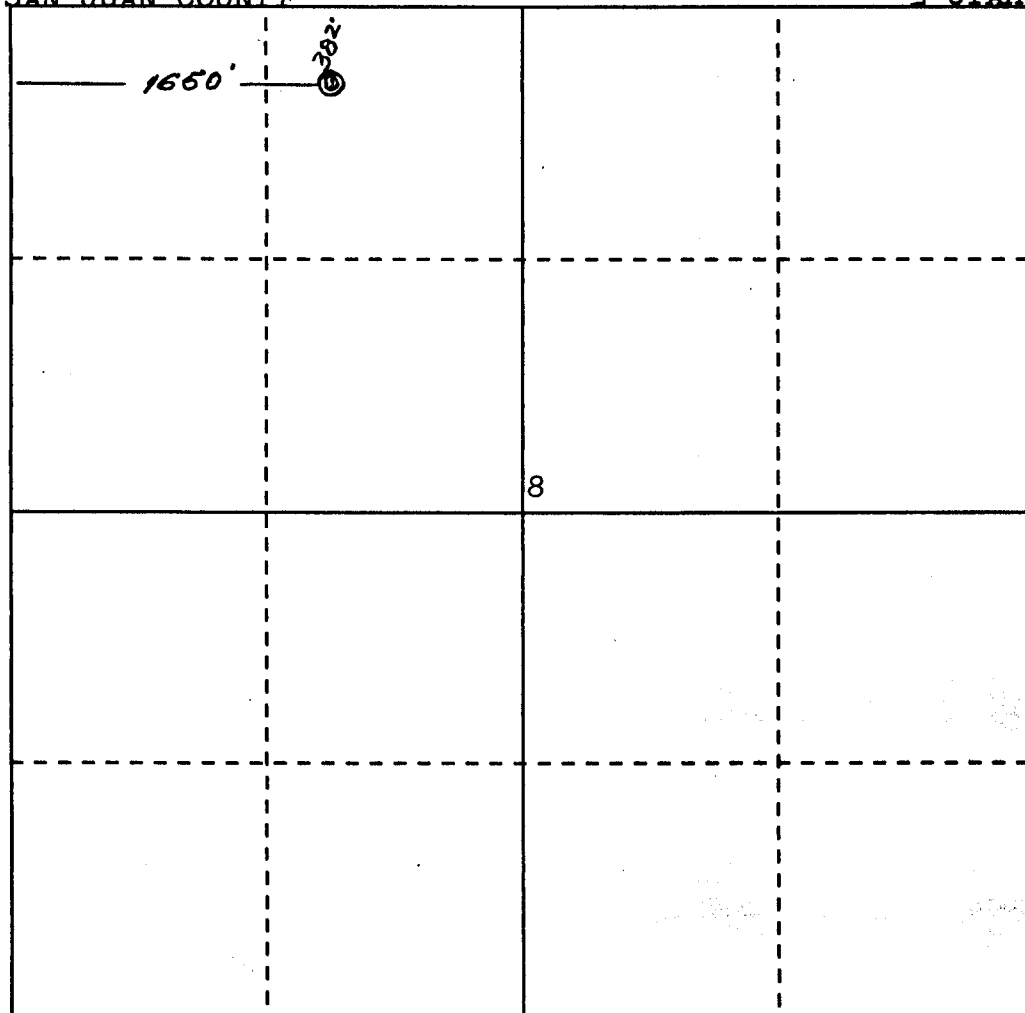
SEC. 8 T. 42 S. R. 19 E. S.L.M.

LOCATION 382 FEET FROM THE NORTH LINE and
1650 FEET FROM THE WEST LINE.

ELEVATION 4066

SAN JUAN COUNTY

UTAH

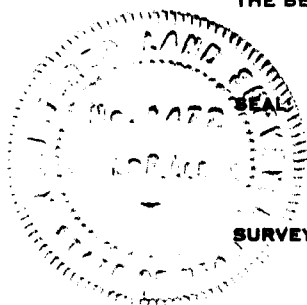


SCALE - 1 INCH EQUALS 1000 FEET

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.


Registered Land Surveyor.

James P. Leese
Utah Reg. No. 1472



SURVEYED 31 March 19 88

OPERATOR Kipling, Inc. DATE 4-21-88
WELL NAME Kipling - Goodridge 26
SEC NENW 8 T 42S R 19E COUNTY San Juan

43-037-31450
API NUMBER

Free
TYPE OF LEASE

CHECK OFF:

(Kipling Bond)

☒ PLAT

☒ BOND

☒ NEAREST
WELL

☒ LEASE

☒ FIELD

☒ POTASH OR
OIL SHALE

PROCESSING COMMENTS:

nearest well ok under cause no. 156-3
air drilled / water permit 09-944 (A50074)
Received Bond approval 6-7-88 Wesgra
Presite done on 6-23-88
Bond received 8-5-88.

APPROVAL LETTER:

SPACING: ☐ R615-2-3

UNIT

☐ R615-3-2

☒

156-3 4-15-80
CAUSE NO. & DATE

☐ R615-3-3

STIPULATIONS:

0218T

Kipling, Inc.

Rt. 7, Box 2241
Boerne, Texas 78006
(512) 537-9150 or 628-1352

RECEIVED
APR 25 1988

DIVISION OF
OIL, GAS & MINING

April 21, 1988

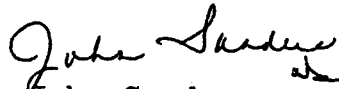
Ms. Arlene Soliz
Utah Board of Oil, Gas & Mining
Division of Permitting
Suite 350, 3 Triad Center
355 W. North Temple
Salt Lake City, Utah 84180-1203

Dear Arlene:

If Mr. Skeen submits to you the enclosed letter, will this satisfy your bonding requirements? If the letter meets with your approval, Kipling, Inc. will reassign an interest to Wesgra Corporation.

Please look it over, and I will telephone you on Monday.

Sincerely,


John Sanders

Utah Board of Oil, Gas & Mining
Division of Permitting
Suite 350, 3 Triad Center
355 W. North Temple
Salt Lake City, Utah 84180-1203

Dear Sirs:

I have designated Kipling, Inc. as operator on the North one-half of the Goodrich lease, Tract "B", that I own and as described below:

Beginning at Cor. No. 3 of Monticello Placer, M.S. No. 6651, located South, 42.68 chs. and East, 8.05 chs. from Sec. Cor. 5, 6, 7, and 8, thence N. 14 45' E., 2.45 chs., N. 23 31 E. 32.71 chs. N. 36 00' E., 12.70 chs. to Meander Cor. of Secs. 5 and 8, thence with protracted description East, 4.50 chs. to Medial Line of San Juan River from 1959 Aerial Photos, thence along Medial Line S. 42 33' W., 12.01 chs., S. 34 04' W., 3.00 chs., S. 23 04' W., 34.02 chs. West 2.50 chs. to point of beginning, containing 12.53 acres, except that land to the North of the line from the North-east corner of Monticello Patented Placer mining claim as shown on MS-6661, East to the Medial line of the San Juan River, T. 42 S., R. 19 E., SLM.

I will be receiving royalties from this lease, and I have instructed my bank, Capitol Bank & Trust, P.O. Box 94790, Oklahoma City, OK 73143, to allow my bond to cover those wells drilled by Kipling, Inc. on said lease.

Sincerely,

Bill Skeen
Wesgra Corporation

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

DESIGNATION OF OPERATOR

The undersigned is, on the records of the Bureau of Land Management, holder of lease

STATE OFFICE: UTAH
SERIAL NO.:

and hereby designates

NAME: Kipling, Inc.
ADDRESS: Rt. 7, Box 2241
Boerne, Tx. 78006

as his operator and local agent, with full authority to act in his behalf in complying with the terms of the lease and regulations applicable thereto and on whom the authorized officer may serve written or oral instructions in securing compliance with the Operating Regulations (43 CFR 3160) with respect to (describe acreage to which this designation is applicable):

The North half of the Following:

Beginning at Cor. No. 3 of Monticello Placer, M.S. No. 6651, located South, 42.68 chs. and East, 8.05 chs. from Sec. Cor. 5, 6, 7, and 8, thence, N. 14°45' E., 2.45 chs., N. 23°31' E. 32.71 chs., N. 36°00' E., 12.70 chs. to Meander Cor. of Secs. 5 and 8, thence with protracted description East, 4.50 chs. to Medial Line of San Juan River from 1959 Aerial Photos, thence along Medial Line S. 42°33' W., 12.01 chs., S. 34°04' W., 3.00 chs., S. 23°04' W., 34.02 chs. West 2.50 chs. to point of beginning, containing 12.53 acres, except that land to the North of the line from the North-east corner of Monticello Patented Placer mining claim as shown on MS-6661, East to the Medial line of the San Juan River.

It is understood that this designation of operator does not relieve the lessee of responsibility for compliance with the terms of the lease and the Operating Regulations. It is also understood that this designation of operator does not constitute an assignment of any interest in the lease.

In case of default on the part of the designated operator, the lessee will make full and prompt compliance with all regulations, lease terms, or orders of the Secretary of the Interior or his representative.

The lessee agrees promptly to notify the authorized officer of any change in the designated operator.

by: William Skeen
William Skeen

(Signature of lessee)

328-88
(Date)

President, Wesgro Corp.

(Address)

This form does not constitute an information collection as defined by 44 U.S.C. 3502 and thereto does not require OMB approval.



STATE OF UTAH
NATURAL RESOURCES
Water Rights

Norman H. Bangerter, Governor
Dee C. Hansen, Executive Director
Robert L. Morgan, State Engineer

Southeastern Area • 453 S. Carbon Avenue • P.O. Box 718 • Price, UT 84501-0718 • 801-637-1303

RECEIVED
JUN 20 1988

June 17, 1988

**DIVISION OF
OIL, GAS & MINING**

Division of Oil, Gas & Mining
Attn: Lecia Romero
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203

Re: Kipling Inc.
Tract B Wells #22, #26 and #30

Dear Lecia:

The enclosed letter will serve as notice from this office that the proposed water right 09-944 (A50074) in the name of Mexican Hat Association Inc., can be used to provide water for the drilling of these proposed wells.

If you have any questions concerning this matter, please feel free to contact me.

Sincerely,

Mark P. Page
Area Engineer

Enclosure
MPP/mjk

RECEIVED

JUN 16 1988

WATER RIGHTS
PRICE

Division of Water Rights
P.O. Box 718
Price, UT 84501

Subject: Authorization for culinary water usage

Gentlemen:

The following Company has requested and received authorization from the undersigned to use culinary water from the township of Mexican Hat, Utah, for the purpose of drilling oil wells.

Water Right No. 09-944

Company:

Kipling Inc
P.O. Box 396
Mexican Hat, Ut 84531

Amount Allocated: *20,000 gal.*

Time Period: *June thru Dec, 1988*

Well Name: *Goodridge/Kipling Tract B N2S 22, 26, 30*

Surveyed Location:

T42S R19E Sec 8

725 FNL 1394 FWL

#26
382 FNL 1650 FWL

Very truly yours,

50 FNL 1878 FWL
#30

SAN JUAN SPECIAL SERVICE DIST. #1

Luther P. Risenhoover

Luther P. Risenhoover, President

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS, AND MINING

(Other instructions on reverse side)

3

5. Lease Designation and Serial No.

private

6. If Indian, Allottee or Tribe Name

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work

DRILL ☒DEEPEN ☐PLUG BACK ☐

7. Unit Agreement Name

b. Type of Well

Oil Well ☒Gas Well ☐

Other

Single Zone ☒Multiple Zone ☐

8. Farm or Lease Name

Kipling-Goodrich

9. Well No.

26

2. Name of Operator

Kipling, Inc.

10. Field and Pool, or Wildcat

Mexican Hat/Goodrich

11. Sec., T., R., M., or Blk. and Survey or Area

Pool

3. Address of Operator

P.O. Box 396 Mexican Hat, Utah 84531

4. Location of Well (Report location clearly and in accordance with any State requirements.)*

At surface

331 ft. FNL 1755 ft. FWL NEW

At proposed prod. zone

same

T42S R19E Sec 8

14. Distance in miles and direction from nearest town or post office*

1 mile east of Mexican Hat

12. County or Parrish 13. State

San Juan, Utah

15. Distance from proposed*

location to nearest

50 ft. from

property or lease line, ft.

(Also to nearest drig. line, if any)

west lease line

16. No. of acres in lease

6.265

17. No. of acres assigned

to this well

all spacing rules lifted in Mex. Hat field

18. Distance from proposed location*

to nearest well, drilling, completed, or applied for, on this lease, ft.

50'

19. Proposed depth

350'

20. Rotary or cable tools

rotary

21. Elevations (Show whether DF, RT, GR, etc.)

4065

22. Approx. date work will start*

Aug. 1, 1988

23.

PROPOSED CASING AND CEMENTING PROGRAM

Size of Hole	Size of Casing	Weight per Foot	Setting Depth	Quantity of Cement
6 3/4	5 1/2	14.0	200	18 sacks

- 3.1 The top of the Goodrich formation is expected to be at 205 ft.
 3.2 We will drill to the top of the Goodrich and circulate cement to the surface thus protecting all formations above the oil zone.
 3.3 It is standard drilling procedure in the field not to use BOPs as all pressure is depleted.
 3.4 Not applicable.
 3.5 The well will be drilled with air.
 3.6 Visual analysis of circulated cuttings.
 3.7 Bottom hole pressure possibly 5-10 lbs. No known hazardous gases, temperatures, or pressures.
 3.8 No unusual facets about the well.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24.

Signed

Clayton P. Lander

Title

Secy-tres.

Date

(801) 683-2270
7/03/88

(This space for Federal or State office use)

Approval Date

APPROVED BY THE STATE
OF UTAH DIVISION OF
OIL, GAS, AND MINING

Approved by

Title

DATE: 8-10-88

BY: *Clayton P. Lander*

WELL SPACING: Cause No. 156-3

RECEIVED
 JUL 7 1988

DIVISION OF
 OIL, GAS & MINING

*See Instructions On Reverse Side

COMPANY KIPLING, INC.

LEASE KIPLING GOODRICH WELL NO. 26

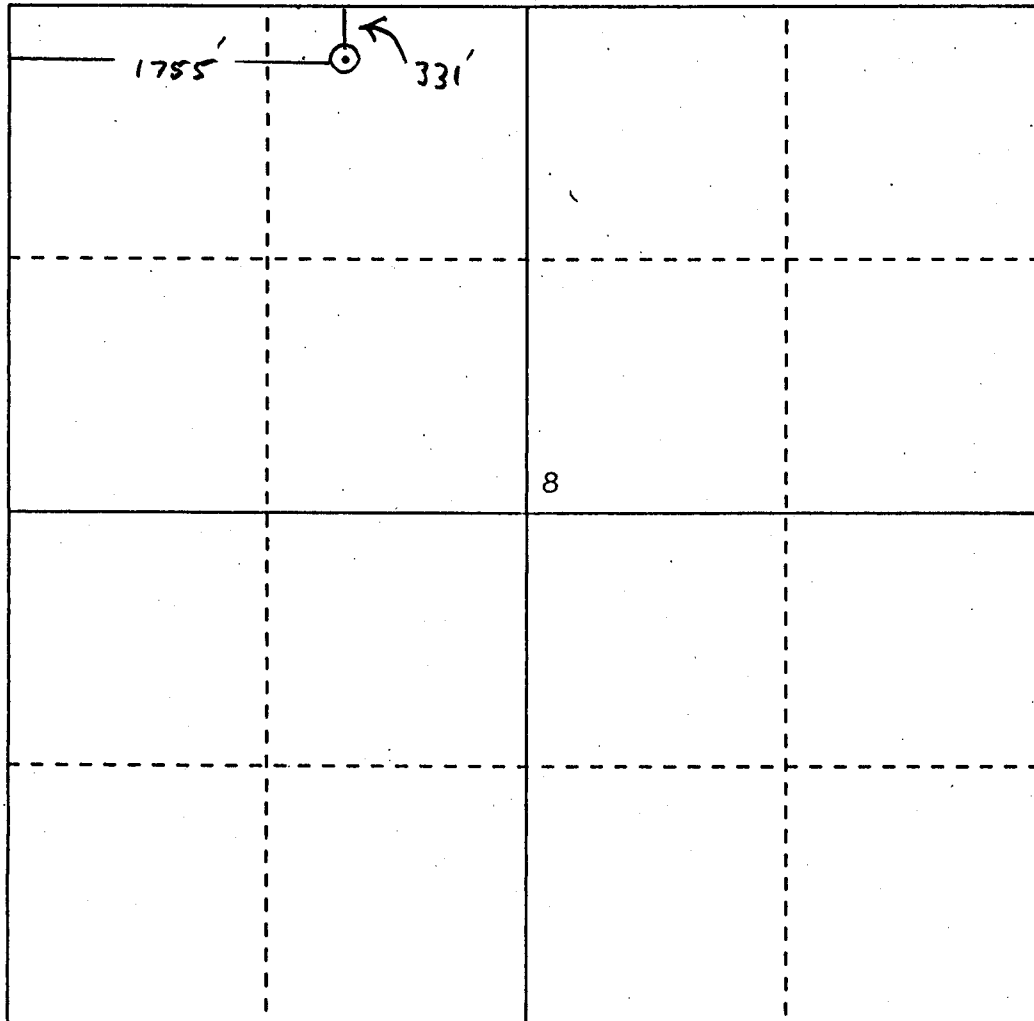
SEC. 8 T. 42 S. R. 19 E, S.L.M.

LOCATION 331 FEET FROM THE NORTH LINE and
1755 FEET FROM THE WEST LINE.

ELEVATION 4065

SAN JUAN COUNTY

UTAH



SCALE - 1 INCH EQUALS 1000 FEET

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

Douglas E. Nelson
Registered Land Surveyor

#4780

DIVISION OF
OIL, GAS & MINING

JUL 7 1988

Surveyed 7-1, 1988

RECEIVED

DRILLING LOCATION ASSESSMENT

RECEIVED
JUL 13 1988

State of Utah
Division of Oil, Gas & Mining

DIVISION OF
OIL, GAS & MINING

OPERATOR: Kipling Inc WELL NAME: Kipling Goodrich #26
QTR/QTR: _____ SECTION: 8 TWP: 42S RANGE: 19E
COUNTY: San Juan FIELD: Mexican Hat 331 FNL 1755 FWL
SFC OWNER: Goodridge Estate LEASE #: FEE
SPACING: _____ F SECTION LINE _____ F QTR/QTR LINE _____ F ANOTHER WELL
INSPECTOR: Chip Hutchinson DATE & TIME: June 23 1988
PARTICIPANTS: John Sanders

REGIONAL SETTING/TOPOGRAPHY: @ 1/2 mi NE of Mexican Hat along
west side of San Juan River

LAND USE

CURRENT SURFACE USE: NA

PROPOSED SURFACE DISTURBANCE: 50'x50' w/ 10x10 pit

AFFECTED FLOODPLAINS AND/OR WETLANDS: San Juan River flood plain

FLORA/FAUNA: lizards, birds, beavers, coyote, Tamarisk, Russian Olive, willow
REEDS

ENVIRONMENTAL PARAMETERS

GEOLOGY

SOIL TYPE AND CHARACTERISTICS: Red sandy silty clay soil

SURFACE FORMATION & CHARACTERISTICS: Cedar Mesa Red sandstone of
unconformed & broken out crops

EROSION/SEDIMENTATION/STABILITY:

OK stable area

SUBSURFACE GEOLOGY

OBJECTIVE(S)/DEPTH(S): @ 350 Goodridge Sand

ABNORMAL PRESSURES - HIGH AND LOW: None anticipated

CULTURAL RESOURCES/ARCHAEOLOGY: Non REQUIRED Not any noticeable

WATER RESOURCES: San Juan River 20 ft (#30)

RESERVE PIT

CHARACTERISTICS: 10'x10'x 5'

LINING: Non anticipated

MUD PROGRAM: mist w/soap

DRILLING WATER SUPPLY: Mexican Hat city water

OTHER OBSERVATIONS: area has been cleared of vegetation

STIPULATIONS FOR APD APPROVAL: Notice of spud surface set
PEA

ATTACHMENTS



State of Utah

DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS AND MINING

Norman H. Bangarter

Governor

Dee C. Hansen

Executive Director

Dianne R. Nielson, Ph.D.

Division Director

355 West North Temple

3 Triad Center, Suite 350

Salt Lake City, Utah 84180-1203

801-538-5340

August 10, 1988

Kipling Incorporated
P. O. Box 396
Mexican Hat, Utah 84531

Gentlemen:

Re: Kipling-Goodridge 26 - NE NW Sec. 8, T. 42S, R. 19E - San Juan County, Utah
331' FNL, 1755' FWL

Approval to drill the referenced well is hereby granted in accordance with the Order of Cause No. 156-3 dated April 15, 1980 subject to the following stipulations.

1. Kipling Incorporated, as designated operator, is the bonded principal on this Application for Permit to Drill. Should this designation change, or a transfer of ownership occur, liability will remain with the designated operator until the Division is notified by a letter of a new bonded principal in reference to this application.

In addition, the following actions are necessary to fully comply with this approval:

1. Spudding notification within 24 hours after drilling operations commence.
2. Submittal of an Entity Action Form within five working days following spudding and whenever a change in operations or interests necessitates an entity status change.
3. Submittal of the Report of Water Encountered During Drilling, Form OGC-8-X.
4. Prompt notification if it is necessary to plug and abandon the well. Notify John R. Baza, Petroleum Engineer, (Office) (801) 538-5340, (Home) 298-7695, or Jim Thompson, Lead Inspector, (Home) 298-9318.
5. Compliance with the requirements of Rule R615-3-22, Gas Flaring or Venting, Oil and Gas Conservation General Rules.

Page 2
Kipling Incorporated
Kipling-Goodridge 26
August 10, 1988

6. Prior to commencement of the proposed drilling operations, plans for facilities for disposal of sanitary wastes at the drill site shall be submitted to the local health department. These drilling operations and any subsequent well operations must be conducted in accordance with applicable state and local health department regulations. A list of local health departments and copies of applicable regulations are available from the Division of Environmental Health, Bureau of General Sanitation, telephone (801) 538-6121.
7. This approval shall expire one (1) year after date of issuance unless substantial and continuous operation is underway or an application for an extension is made prior to the approval expiration date.

The API number assigned to this well is 43-037-31450.

Sincerely,



R. J. Firth
Associate Director, Oil & Gas

lr
Enclosures
cc: Branch of Fluid Minerals
D. R. Nielson
8159T

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS, AND MINING

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen of back to a different reservoir.
Use "APPLICATION FOR PERMIT—" for proposals.)

RECEIVED
AUG 19 1988

5. LEASE DESIGNATION AND SERIAL NO.

private

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME

Kipling-Goodrich

9. WELL NO.

26

10. FIELD AND POOL, OR WILDCAT

Mexican Hat/Goodrich Pool

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA

T42S R19E Sec 8

12. COUNTY OR PARISH

San Juan

13. STATE

Utah

1. OIL WELL ☒ GAS WELL ☐ OTHER ☐

2. NAME OF OPERATOR

Kipling, Inc.

3. ADDRESS OF OPERATOR

P.O. Box 396 Mexican Hat, Utah 84531

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*
See also space 17 below.)
At surface

381 ft. FNL 1653 ft. FWL

14. API NUMBER

43-037-31450

15. ELEVATIONS (Show whether OF, RT, CR, etc.)

4065

16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

TEST WATER SHUT-OFF

☐

PULL OR ALTER CASING

☐

FRACTURE TREAT

☐

MULTIPLE COMPLETE

☐

SHOOT OR ACIDIZE

☐

ABANDON*

☐

REPAIR WELL

☐

CHANGE PLANS

☒

(Other)

☐

SUBSEQUENT REPORT OF:

WATER SHUT-OFF

☐

REPAIRING WELL

☐

FRACTURE TREATMENT

☐

ALTERING CASING

☐

SHOOTING OR ACIDIZING

☐

ABANDONMENT*

☐

(Other)

☐

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Change of location at surface.

18. I hereby certify that the foregoing is true and correct

SIGNED

Orville P. Sanders

TITLE

Secy-tres

DATE

8/16/88

(This space for Federal or State office use)

APPROVED BY

TITLE

CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY THE STATE
OF UTAH DIVISION OF
OIL, GAS, AND MINING

*See Instructions on Reverse Side

DATE: 8-24-88
BY: *John R. Bays*



Norman H. Bangerter

Governor

Dee C. Hansen

Executive Director

Dianne R. Nielson, Ph.D.

Division Director

State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

355 West North Temple

3 Triad Center, Suite 350

Salt Lake City, Utah 84180-1203

801-538-5340

October 24, 1989

Kipling Incorporated
P.O. Box 396
Mexican Hat, Utah 84531

Gentlemen:

Re: Kipling-Goodridge #26, Sec.8, T.42S, R.19E, San Juan County, Utah
API No. 43-037-31450

Due to excessive time delay in commencing drilling operations, approval to drill the subject well is hereby rescinded, effective immediately.

Please note that a new Application for Permit to Drill must be filed with this office for approval prior to the commencement of any future work on the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division of Oil, Gas and Mining immediately.

Sincerely,

Don T. Staley
Administrative Supervisor

TAS/lde

cc: D.R. Nielson

R.J. Firth

Well file

HOI2/1